

FISCAL YEAR 2003 – 2004 GAMING REVENUE AND EXPENDITURES

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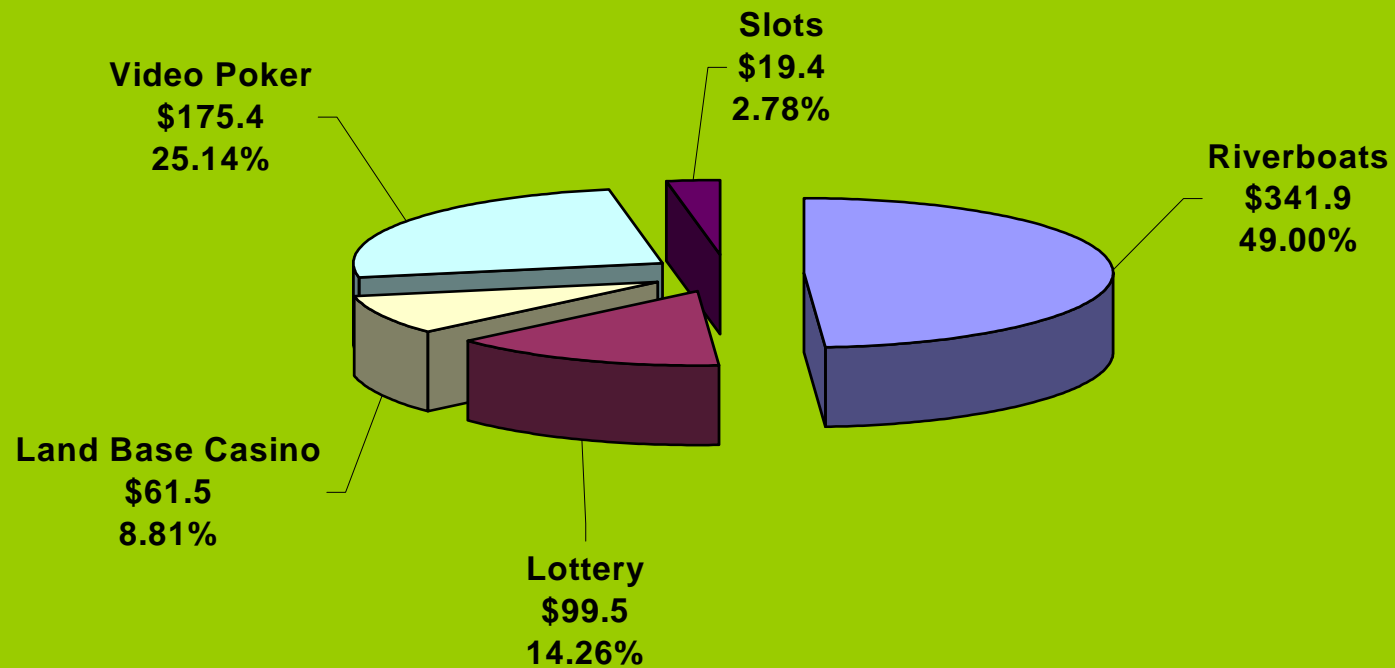
Introduction

This report is a brief synopsis, which provides information regarding the major gaming revenues that are collected and expended by the State. The report contains both narrative and graphic information detailing the amount of revenue projected for collection, the expenditures funded by each revenue source, and identification of the Revised Statute authorizing each gaming activity.

All financial information regarding revenue contained in the report is based on the May 16, 2003 forecast adopted by the Revenue Estimating Conference. Financial information regarding expenditures that are contained in the report is based on amounts currently appropriated in the General Appropriations Bill (Act 14).

Information contained in the report is updated annually. It is based on appropriated expenditures and revenues, to show where gaming revenue derives from and how the revenue is expended.

Revenues From All Gaming Sources

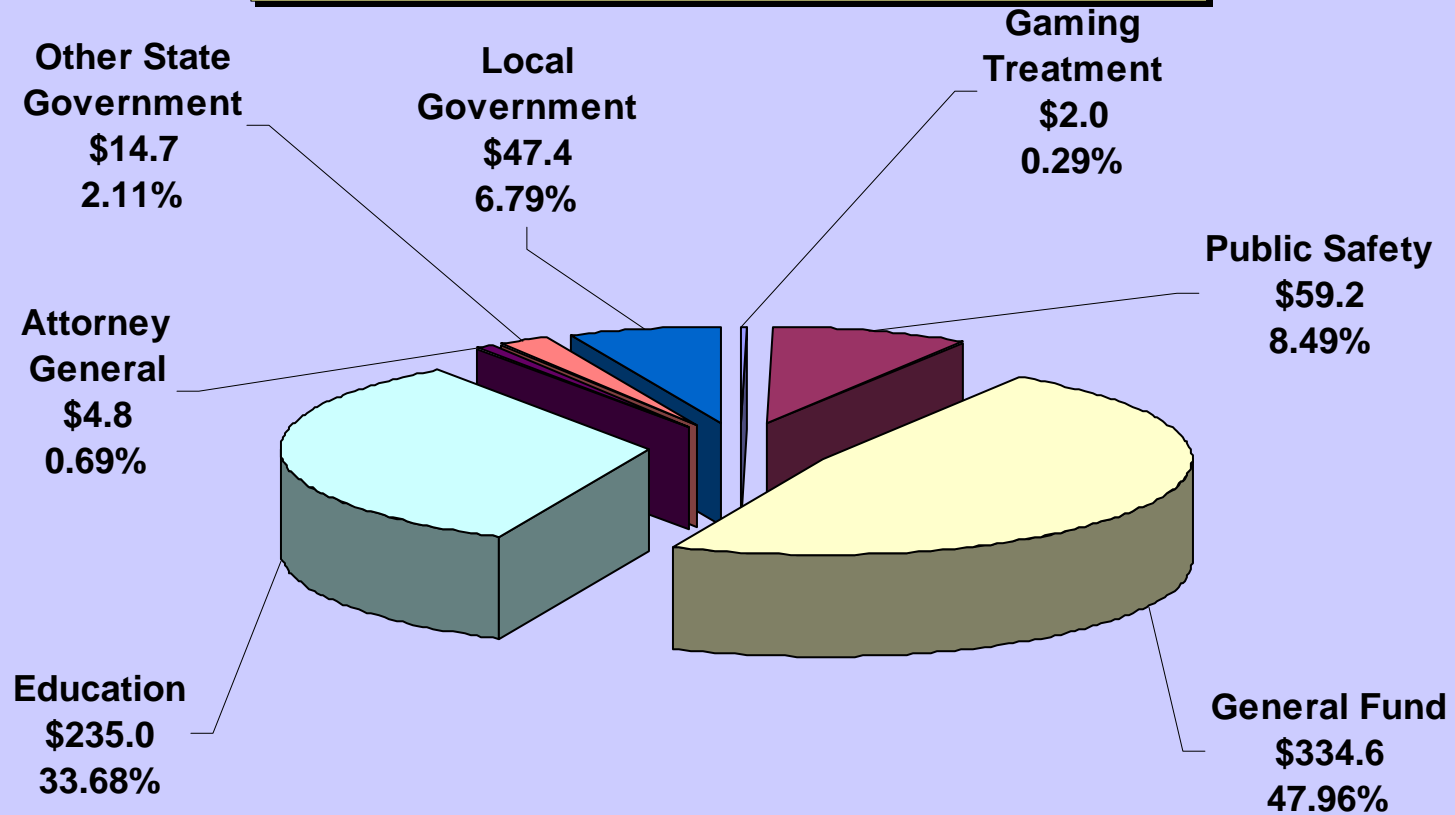


Total Revenues From All Gaming Sources (Millions) \$697.7

Revenue From All Gaming Sources

Riverboat Gaming-----	\$341.9
Video Poker-----	\$175.4
Lottery -----	\$99.5
Land Based Casino-----	\$61.5
Slot Machines-----	\$19.4
Total -----	\$697.7

Expenditures From All Gaming Sources

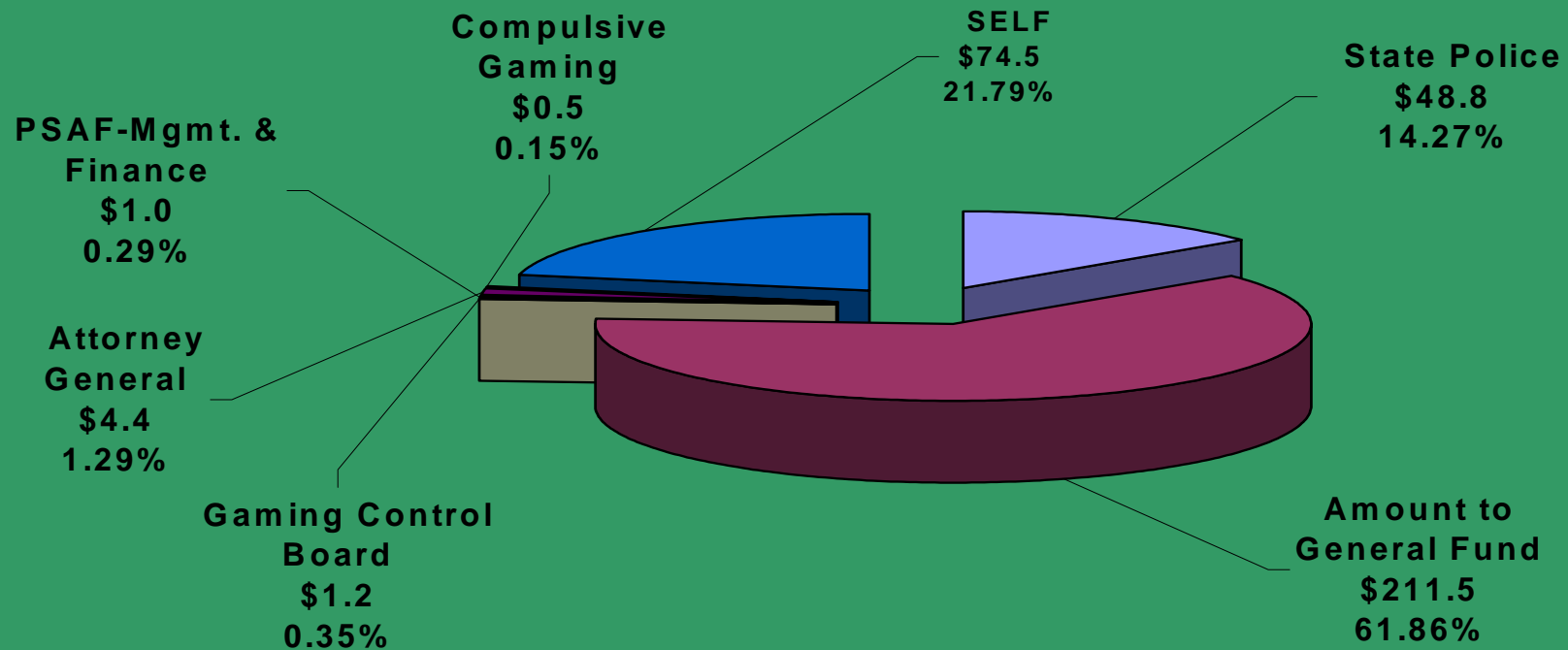


Total Expenditures from All Gaming Sources (Millions) \$697.7

Expenditures From All Gaming Sources

Expenditure Categories (Millions)	
General Fund -----	\$334.6
Education-----	\$235.0
Public Safety -----	\$59.2
Local Government -----	\$47.4
La. Agricultural Finance Authority -----	\$12.0
(Includes \$8 million for boll weevil)	
Attorney General -----	\$4.8
Purse Supplement -----	\$2.7
Gaming Treatment -----	\$2.0
Total from All Gaming Sources -----	\$697.7

Expenditures from Riverboats Revenues



Riverboats Totals (Millions): \$341.9

Riverboat Gaming Revenue

Expenditure Categories (Millions)	
General Fund -----	\$211.5
SELF -----	\$74.5
Public Safety Total-----	\$51.0
Attorney General -----	\$4.4
Compulsive Gaming -----	\$0.5
Riverboat Gaming Total Expenditures-----	\$341.9

Riverboat Gaming Revenue (R.S. 27:91-93)

net gaming proceeds is defined as the total cash received by a licensee from gaming operations, less the total cash paid out as winnings

- 15.0% of net gaming proceeds to the General Fund
- 3.5% of net gaming proceeds to the Riverboat Gaming Enforcement Fund*

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18.5%

- 9.0% of the 18.5% to the Support Education in Louisiana First (SELF) Fund

In addition to the above fees, additional fees shall be charged as follows. All additional fees shall be deposited in the SELF Fund:

- an additional 3% of net gaming proceeds for all riverboats except the riverboats docked at Lake Pontchartrain or the Red River

Additional fees for riverboats docked in the Red River shall be as follows:

- from April 1, 2002 – March 31, 2003, an additional 2% of net gaming revenue
- starting April 1, 2003, an additional 3% of net gaming revenue

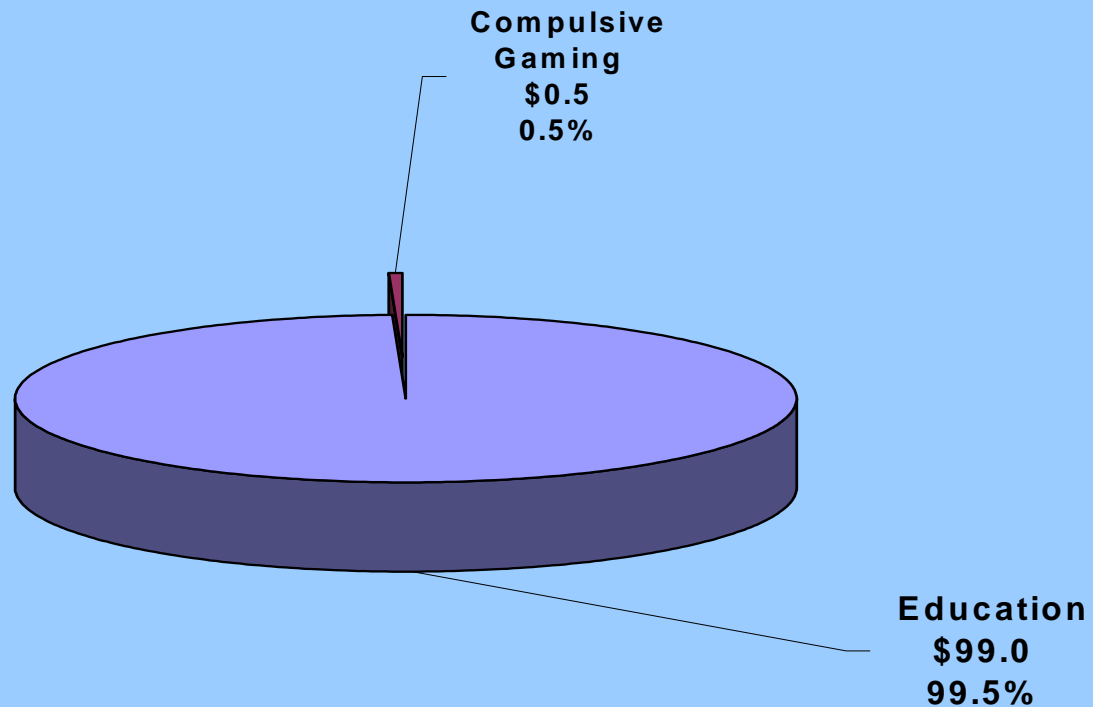
Additional fees for the riverboat docked at Lake Pontchartrain shall be as follows:

- 2% of monthly net gaming proceeds for months the monthly net gaming proceeds is at least \$6 million but less than \$8 million
- 3% of monthly net gaming proceeds for months the monthly net gaming proceeds is \$8 million or more
- 1% of net gaming proceeds, not to exceed \$500,000 to the Compulsive and Problem Gaming Fund
- All winnings from patrons who are determined to be under the age of 21 shall be deposited into the Compulsive and Problem Gaming Fund

*Expenditures provided for from the Riverboat Gaming Enforcement Fund:

- State Police Riverboat Gaming Enforcement Division for investigation and enforcement of riverboat gaming activities
- Attorney General's Riverboat Gaming Division for legal work related to riverboat gaming
- Louisiana Gaming Control Board for regulation of riverboat gaming, not to exceed 1/7th of the net gaming proceeds
- Procurement, installation, maintenance, and operation of an automatic fingerprint identification system
- General expenses for the Office of State Police

Expenditures From Lottery Revenues



Lottery Totals (Millions): \$99.5

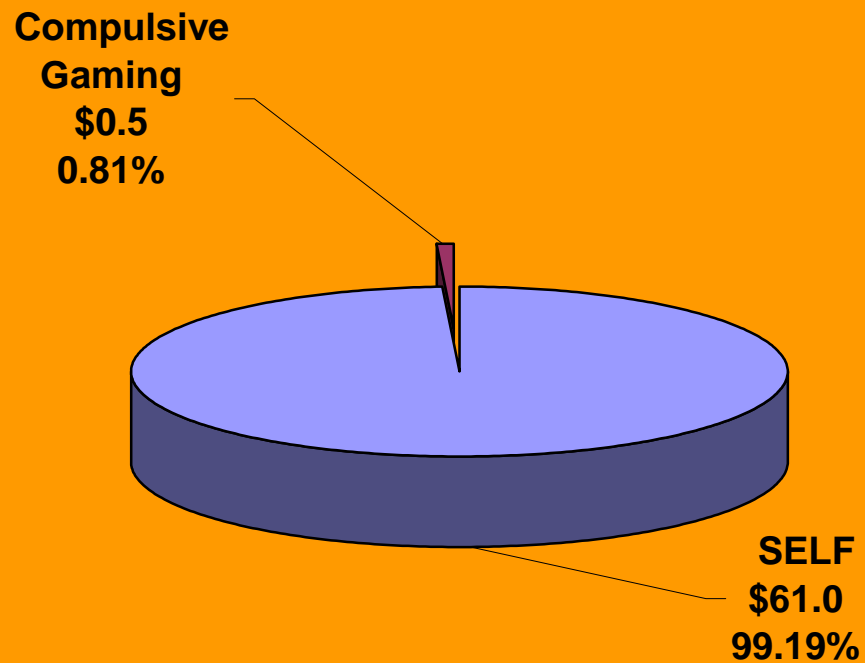
Lottery Gaming Revenue

Expenditure Categories (Millions)	
Education -----	\$99.0
Compulsive Gaming -----	\$0.5
Lottery Total Expenditures -----	\$99.5

Lottery (R.S. 47:9029)

- All money received by the Lottery Corporation shall be deposited into a corporate operating account. Within 20 days following the close of each calendar month, the corporation shall transfer to the Lottery Proceeds Fund the amount of net revenues which the corporation determines are surplus to its needs. Net revenues or proceeds shall be determined by deducting from gross revenues the payment costs incurred or estimated to be incurred in the operation and administration of the lottery. After the first year of operation the corporation shall transfer no less than 35% of gross revenues to the state treasurer.
- \$500,000 to the Compulsive and Problem Gaming Fund

Expenditures From Land Base Casino Revenues



Land Base Casino Totals (Millions) \$61.5

Land Based Casino Revenues

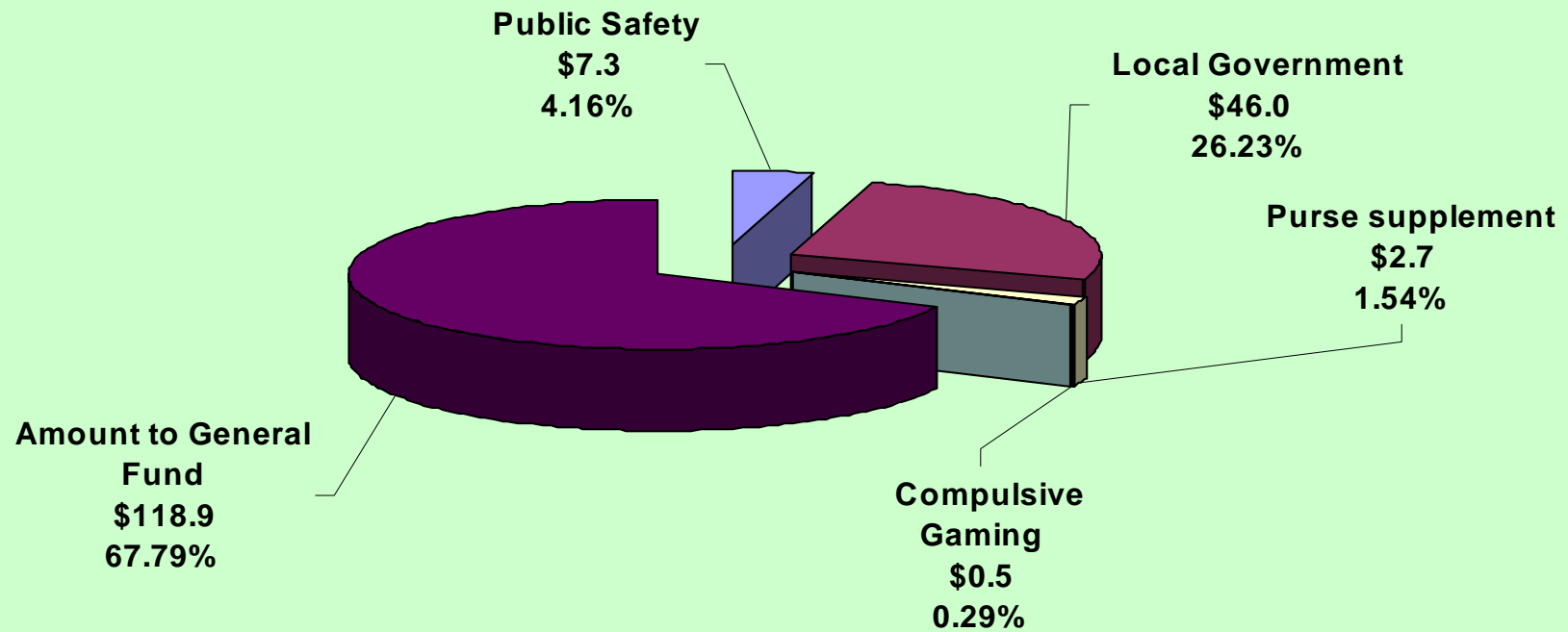
Expenditure Categories (Millions)

SELF -----	\$61.0
Compulsive Gaming -----	\$0.5
Land Base Casino Total Expenditures -----	\$61.5

Land Base Casino Revenues (R.S. 27:270)

- All money received by the corporation from gaming operations and all other sources shall be deposited into a corporate operating account
- Quarterly, the corporation shall transfer one percent of its operating account, not to exceed \$500,000 into the Compulsive and Problem Gaming Fund
- Daily the corporation shall transfer 100% of its net revenues into the Support Education in Louisiana First Fund; Net revenues shall be determined by deducting from gross revenues the necessary expenses incurred by the corporation in the operation and administration of the casino gaming operations. This shall include the expenses of the corporation, the expenses resulting from any contract or contracts entered into for ordinary and customary business services and the amount required to be transferred to the Compulsive and Problem Gaming Fund

Expenditures From Video Poker Revenues



Video Poker Totals (Millions) \$175.4

Video Poker Revenue

Expenditure Categories (Millions)

General Fund -----	\$118.9
Local Government -----	\$46.0
Public Safety -----	\$7.3
Purse Supplement -----	\$2.7
Compulsive Gaming -----	\$0.5
Video Poker Total Expenditures -----	\$175.4

Video Poker (R.S. 27:311-312 and 323)

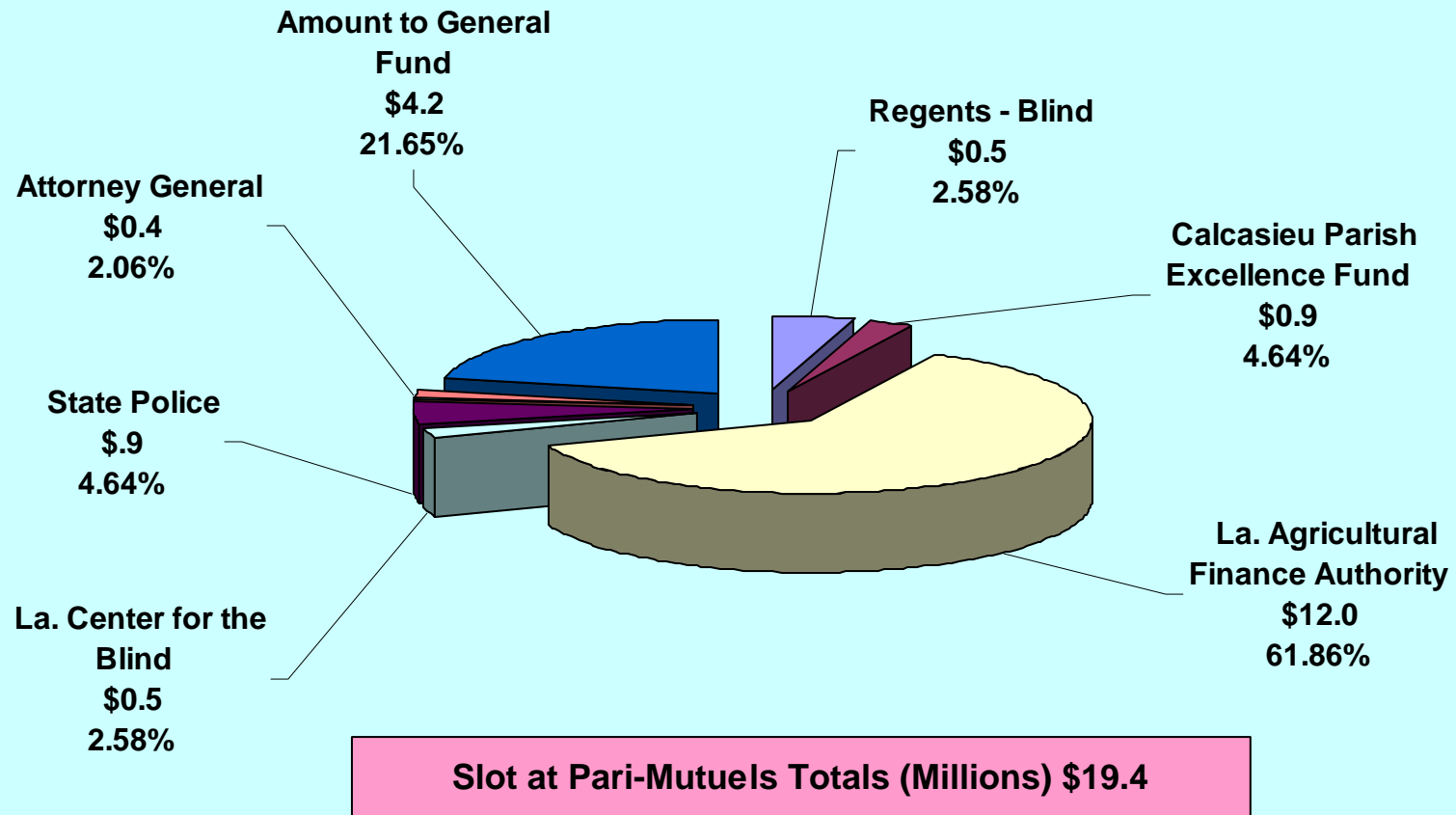
Each device owner shall remit to the Office of State Police a franchise payment, in an amount equal to a percentage of the net device revenue derived from the operation of each video draw poker device owned by him. The amount of the percentage shall be based on the type of licensed establishment authorized by the division for the placement of video draw poker devices, as follows:

26.0% franchise payment for a restaurant, bar, tavern, cocktail lounge, club, motel, or hotel

32.5% franchise payment for a truck stop facility

- One-half of one percent of the franchise fee to the La. State Racing Commission to be used as follows:
 - Two-thirds to racing associations that conducts live horse racing
 - One-third to the La. Quarter Horse Breeders' Association
 - \$25,000 to the La. Quarter Horse Association for promotion of youth interest in quarter horses
 - \$25,000 to the Quarter Horse Racing Association of La. to be spent at direction of a majority of the members
- One percent, not to exceed \$500,000 to the Compulsive and Problem Gaming Fund
- Twenty-five percent distributed as follows:
 - For district attorneys and assistant district attorneys compensation, not to exceed \$5 million
 - To the governing authorities in which devices are operated, an amount based on the proportional amount the municipality contributes to the total, for gaming enforcement
- To the Department of Public Safety and Corrections and the Department of Justice for enforcement of video draw poker laws

Expenditures from Slots at Pari-Mutuels Revenues



Slot Machines

Expenditure Categories (Millions)	
Calcasieu Parish -----	\$0.9*
La. Agricultural Finance Authority -----	\$12.0
(Includes \$8 million for boll weevil)	
State Police-----	\$0.9
La. Centers for the Blind -----	\$0.5*
Affiliated Blind -----	\$0.5*
Attorney General -----	\$0.4
Amount to the General Fund -----	\$4.2
Slot Machines Total Expenditures -----	\$19.4

*Because of an amendment to Act 14 and because of Act 1009 of the 2003 Legislative Session the appropriated revenue from slot machines is overstated by \$0.7 million from the amount shown above. An amendment to Act 14 changed the appropriation to Calcasieu Parish from \$0.9 million to \$1.1 million. Act 1009 dedicates an additional \$0.5 million revenue to the Blind and Visually Impaired Fund.

Slot Machines (R.S. 27:392-393)

Net slot machines proceeds means the total of all cash and property received by a licensee from slot machine operations minus the amount of cash or prizes paid to winners.

- 18.5% of net slot machine proceeds (along with all fees, fines and other monies collected by State Police under the provisions of this section) to the Pari-Mutuel Live Racing Facility Gaming Control Fund
- All monies in the Pari-Mutuel Live Racing Facility Gaming Control Fund shall be used solely for the expenses of the La. Gaming Control Board, the Department of Justice, and State Police for enforcement of slot machines at racetracks. Unexpended monies in the fund shall be deposited in the general fund.
- Five percent of the general fund of the slot revenue to the general fund shall go to the following funds:
 - The Bossier Parish Excellence Fund in Bossier Parish from the proceeds derived from the facility in Bossier Parish
 - The St. Landry Parish Excellence Fund for investment by the state treasurer; The principal may not be appropriated. Interest earnings may be appropriated only to the St. Landry Parish School Board and only for enhancements to the education program.
 - The Calcasieu Parish Fund for investment by the state treasurer, withdrawn only pursuant to appropriation by the legislature. Revenue deposited in the Calcasieu

Parish Fund is allocated to the school board (60%), the McNeese State University (30%), and the Sowell Technical Institute (10%).

- \$12 million for the Louisiana Agricultural Finance Authority
- \$1.5 million to the Rehabilitation for the Blind and Visually Impaired Fund for the Affiliated Blind of Louisiana (\$0.5million), the Blind Center at Ruston (\$0.5 million) and the Lighthouse for the Blind in New Orleans (\$0.5 million).
- \$0.8 million to the Equine Health Studies Program at the LSU School of Veterinary Medicine, contingent upon recognition by the Revenue Estimating Conference of revenues from the Bossier Parish horse racing facility.**
- \$0.8 million to the Southern University AgCenter Center Program Fund, contingent upon recognition by the Revenue Estimating Conference of revenues from the Bossier Parish horse racing facility.**
- \$0.2 million to the New Orleans City Park beautification and improvement**

**These are new dedicated allocations added by Act 1099 of the 2003 Legislative Session. Since the Act providing for these dedications was enacted after the May 16th Revenue Estimating Conference projections, which are reflected in this report, the revenues in this report do not include dedications to these entities. Additionally, no appropriations were made for the entities in Act 14.